

NEW YORK HERALD.

JAMES GORDON BENNETT,  
PROPRIETOR.

JAMES GORDON BENNETT, JR.,  
MANAGER.

BROADWAY AND ANN STREET.

All business or news letters and telegraphic despatches  
must be addressed New York Herald.

Letters and packages should be properly sealed.  
Rejected communications will not be returned.

Volume XXXII.....No. 183

AMUSEMENTS THIS EVENING.

BROADWAY THEATRE, Broadway, near Broome  
Street.—OLIVER TWIST.

WORLD'S SISTERS NEW YORK THEATRE, oppo.  
site New York Hotel, N. E. Corner of Broadway and  
Dundas.—THE GOOD BOY.

THEATRE FRANCAIS, Fourteenth street and Sixth  
avenue.—BENEFIT OF MR. POPE.—THE HUNCHBACK.

BOWERY THEATRE, Bowery.—CATHERINE OF THE CANNONS.

OLYMPIC THEATRE, Broadway.—BRITISH NEUTRALITY.

BARNARD'S NEW YORK MUSEUM, Broadway and  
Third street.—THE AMERICAN, OR THE FORTUNE OF  
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session, his Excellency is convinced that important  
changes are necessary in the regulations  
under which immigrants are introduced into the colony.  
Dr. Dine, R. N., Deputy Inspector of Naval Hospitals in  
Jamaica, died at his official residence, Port Royal,  
Jamaica, Her Majesty's steamer Niger, Captain Bruce,  
arrived at Port Royal. Her Majesty's steamer Barracouta  
took from the harbor the members of the Mackay  
court martial, bound for British Honduras. Trade was  
depressed in Kingston. There is a steady demand for  
tea for the United States at \$4.50 a \$5 for wood.

The Constitutional Convention reassembled yesterday,  
when Mr. Alvord, according to his notice on Saturday,  
moved a call of the house, but withdrew it immediately,  
as he was satisfied he would not be sustained by the  
Convention. Several memorials for liquor prohibitions  
and the extension of suffrage to all races and sexes were  
received. Resolutions relative to the Judiciary Committee,  
to the jury system and other matters, were referred.  
The report of the Committee on Suffrage being called  
up for its consideration was postponed until Tuesday  
next, and the Convention then adjourned until Monday  
evening, the 8th instant.

The evidence taken in the Surratt trial was more than  
sufficient to establish the guilt of the accused. The  
testimony of Dr. McMillan was called, and he testified  
to becoming acquainted with Surratt when he was in  
disguise, crossing the ocean to England. The prisoner  
during the voyage, dated several times at a great  
distance had done, and on one occasion wished that he  
could return and serve Andrew Johnson as Abraham  
Lincoln had been served. He also confessed to having  
received large sums from Benjamin, the rebel Secretary  
of State, and that he, with other parties, had shot Union  
prisoners who were trying to escape. The prisoner's  
counsel, Mr. Merrick, begged the witness to such an  
extent that the latter retorted by telling him that his  
acts were those of a coward and a sneak, and the Court  
was compelled to interfere by telling Mr. Merrick that he  
must not worry and annoy witnesses.

Our special correspondent at Nashville says the national  
banks of Tennessee are a wonder upon the government  
and a nuisance that should be wiped out, and  
proceeds to exemplify his assertion in a manner that  
leaves no doubt of its truth. Some of the banks have  
received from Mr. Spinner a large amount of government  
deposits over their secured capital stock. The profits in  
some instances are enormous, and the government  
funds were in several cases during the war used for the  
purpose of shipping gold to the rebels. The interest  
charged by some of the banks is enormous, being fre-  
quently as high as twelve per cent, while the law of the  
State allows only six per cent. A shrewd scheme for  
purchasing government vouchers at from eighteen to  
thirty per cent discount, with government deposits, was  
successfully carried on during the last days of the war,  
rascally quartermasters being near at hand to cash the  
vouchers at par as soon as the bank officials presented  
them. Altogether, some startling revelations are made  
as to the insecure condition of national funds in the  
hands of these national bank officials.

Our special correspondent with General Custer's com-  
mand on the forks of the Republican, sends news from  
the camp of the Seventh Cavalry up to June 22. A re-  
port has recently prevailed that Custer had been defeated  
and killed, but no mention of the circumstance is made  
up to the date of the present letter. General Custer at  
that time being actively engaged with his command.  
Nothing in reference to the rumor has been received at  
any of the Departments in Washington.

The new government of Canada, under the Confed-  
eration Act, was inaugurated at Ottawa yesterday. Lord  
Monck took the oath of office as Governor General.  
Several officers of his privy council were knighted; ser-  
vices were fired, flags hoisted, and a general holiday  
taken. The day henceforth will be called "Union  
Day." At Montreal and Quebec the demonstration was  
even more impressive, but at Halifax it was rather a dis-  
appointment, several flags being at half mast, and two  
newspapers coming out in mourning. The Scotch, English  
and Irish societies refused to join the procession.

The county courts of Tennessee having been requested  
by the chairman of the Conservative Central Committee  
to appoint officers to hold the State elections, Governor  
Brownlow has issued a proclamation declaring the courts  
have no such authority, and directing his militia general  
to see that the law regarding the franchise is correctly  
administered.

Senator Wilson has said that he favors Grant for next  
President; believes the Southern States will give half  
their vote to the republicans, and that that party will  
win the next election. He also believes that the July  
session will do nothing beyond passing an amendatory  
act.

Six cases of yellow fever were reported to the New  
Orleans Board of Health yesterday, three of which  
proved fatal.

The old homestead of the Washburn family, the  
birthplace of Governor Washburn, of Maine, and  
Congressmen E. B. and C. C. Washburn, which they  
had just fitted up handsomely, and to which they re-  
cently made a pilgrimage every summer, was burned  
down on Saturday.

The Spanish government has directed the Captain  
General of Cuba to extend all the aid required by the  
submarine cable company in laying the telegraph be-  
tween Havana and Key West.

Our Southern letters this morning relate to matters in  
South Carolina, Alabama, Mississippi, Arkansas, Louisi-  
ana and Texas.

THE DOMINION OF CANADA.

The new dominion of Canada was duly  
inaugurated yesterday at Ottawa, and the cere-  
monial was observed by military, official and  
public display, at Ottawa, Montreal, Quebec,  
Halifax, and other points. The affair, how-  
ever, fell dead on the public mind generally,  
and there were unmistakable evidences, espe-  
cially at Halifax, of a widespread discontent  
at the involuntary confederation forced upon  
the people of the provinces by the British  
government and its agents. Montreal was the  
only place where anything like genuine  
popular enthusiasm was shown, the citizens  
of Ottawa, even, evincing but little re-  
joicing over the event. At Halifax a spirit  
of discontent was made apparent, and con-  
siderable excitement prevailed. Flags were  
hung at half mast and half the stores closed as  
if for death, and two of the daily papers ap-  
peared with their columns in mourning.  
Several civic societies, especially those of the  
Scotch and Irish, refused to turn out in the  
procession.

This is a bad beginning for our neighbors,  
and forebodes much future trouble for the  
timid Britons who will be sent out by the  
English government to rule over them. Lord  
Monck took the earliest opportunity to bestow  
the honor of knighthood upon Cartier, the  
fervid little politician of Lower Canada, and  
some of the trading politicians, who are always  
prepared to play the flunky to England, made  
speeches in which they glorified the new do-  
minion and affirmed its superiority over the  
neighboring republic; but neither barren titles  
nor paid flunkys will avail to make the  
consolidation of the provinces popular. The  
Canadians and Blue Noses who are already  
grumbling and dissatisfied will soon learn  
what direction to look for a secure, prosperous  
and progressive country.

Superintendent Kennedy and the Fourth.

It is certain that if a man issues a great  
many orders he is sure at last to issue a good  
one. It has happened to Superintendent Ken-  
nedy to issue many orders that have made  
authority ridiculous; he has now issued a wise  
and excellent one, directing the police to  
arrest all persons for violating the law by the  
use of firearms on the streets and by discharg-  
ing certain very dangerous kinds of fireworks.  
This order will be welcome to the mass of the  
people. The firework frenzy was good enough  
in the days of old John Adams, when our  
cities were very small affairs and the people  
moderate in all indulgences. Nowadays we  
carry these frenzies too far, and in our im-  
mense cities risk too much. Let the shooters  
stay on their own premises, therefore, or go to  
the rural districts.

The Fate of Maximilian and the Case of Jeff Davis.

In the interminable Mexican correspondence  
of Mr. Seward there is one little panache-  
arms between him and M. Drouyn de Lhuys,  
at that time French Minister of Foreign Affairs,  
which is worth reproducing. Maximilian had  
issued his decree of outlawry against the fight-  
ing Mexican liberals, numbers of prisoners  
captured by the imperialists under that decree  
had been executed, and still the bloody work  
continued. In the name of civilization and  
the cause of humanity Mr. Seward appealed to  
the French government to interpose and put an  
end to this savage mode of warfare. The  
factions French Minister substantially re-  
sponded:—"Why do you appeal to us to redress  
these wrongs? Why not call upon the govern-  
ment of Mexico—that which you recognize, the  
government of Juarez? He is your man." The  
point of this humorous reply will be under-  
stood when it is remembered that just then  
Juarez was the dimmest shadow of a ruler,  
cooped up in El Paso, on the extreme Northern  
frontier of Mexico, with not an inch of ground  
he could call his own, and depending for his  
personal safety on his chances in the last resort  
of escaping from the French dragons by run-  
ning over the river into the United States.  
But what a commentary upon this grim joke of  
the French government do we now read in the  
terrible ending of Maximilian and his empress!  
The moral of this scrap of history, which we  
commend to the Emperor Napoleon, is this:  
how narrow is the vision of the keenest sighted  
diplomat in regard to coming events!

We might further pursue this inviting text,  
but for the more attractive argument suggested  
by the peculiar views of the New York Tribune  
on the fate of Maximilian. The philosopher  
Greeley, who in the matter of human kindness  
yields the generous milk of a Durham cow,  
says that he feels more keenly this cruelty to  
Maximilian "because of our treatment of Jef-  
ferson Davis." We had men among us with  
whom, "like the cannibals of Africa, the only  
fruits of victory were the wasted bodies of their  
enemies." Horrible thought! But the better  
sense of the people prevailed, and the leader  
in one of the greatest rebellions was set free,  
says the rejoicing Greeley. The people! What  
had the people to do with it? Nothing. What  
are the leading facts in this case? Simply  
these: Jefferson Davis was the chief of the most  
formidable rebellion in history. His armies at  
length were beaten, and, fearful of that "sour  
apple tree," he fled, and was heading for Cuba  
or Mexico, when a proclamation was issued from  
President Johnson denouncing him as a con-  
spirator with others in the assassination of  
President Lincoln, and offering a reward of  
one hundred thousand dollars for his capture.  
He was captured in Georgia by a detachment of  
Union troops; he was brought back to Vir-  
ginia, and locked up as a prisoner in Fortress  
Monroe.

Months have elapsed, with Davis under lock  
and key, when the idea that he is to be tried  
as a murderer is superseded by the general  
impression that in the course of time, if he  
lives, he is to be tried as a traitor. But  
between the new ideas of President Johnson,  
and the technical quibblings of Chief Justice  
Chase, and the difficulties suggested by the  
Attorney General, and the backing and filling  
of the Judiciary Committee of the House  
of Representatives, the chief of rebellion  
continues to be held as a prisoner for nearly  
two years, without any trial, or any pro-  
spect of a trial as murderer or traitor. At last,  
chiefly through the activity in his behalf of his  
principal legal adviser, Mr. Charles O'Connor,  
of this city, he is brought up before Judge  
Underwood of the United States District Court,  
at Richmond, in the character of a rebel. It  
is then found that by a law of 1862 rebellion is  
a bailable offence, and Mr. O'Connor, beginning  
with "the milk of human kindness" man,  
Greeley, between whom and the subjugated  
John Minor Botts, Gerrit Smith is sandwiched,  
triumphantly parades his roll of bondsmen to  
the tune of one hundred thousand dollars.  
Thus released, through the patient and skillful  
management of Charles O'Connor, Davis, like a  
conquering hero, hustens from "the Yankee  
flag" to the new Dominion of Canada, that  
"happy hunting ground," as peace makers,  
of Jake Thompson, C. C. Clay, Bev Tucker,  
George Sanders, Horace Greeley and Colorado  
Jewett.

These are the leading facts in this case of  
Jeff Davis, from which it is apparent that  
O'Connor is the lion of the play and Greeley  
chief of the donkeys. A hundred thousand  
dollars is first offered and then paid for the  
capture of Davis as an assassin, another  
hundred thousand is expended in holding him  
as a prisoner, and then he is discharged on the  
promise of Greeley and others to fork over a  
hundred thousand in case the accused shall  
fail to come to time when called for to be tried  
as a rebel. In this financial exhibit the govern-  
ment is out of pocket two hundred thousand  
dollars. Does anybody suppose that for a  
hundred years to come, by the court at Rich-  
mond, before which he is bound in that other  
hundred thousand, Davis will be called for?  
No. What, then, have we to boast of in this  
business? We can boast that from President  
Johnson down to Judge Underwood, all our  
government officials have acted like a parcel  
of weakheaded and foolish old granules, that  
Greeley has been consistent with his Niagara  
negotiations, that the government stands dis-  
graced before the world in the detention and  
in the discharge of the prisoner, that Davis is  
not an assassinator conspirator nor a traitor,  
but that he is only a rebel and that rebellion is  
not treason.

Now, we hold that in the person of the head  
chief of the late rebellion the people of the  
United States, while they did not desire the  
blood of the prisoner, did desire and expect a  
trial which would define and establish the  
crime of treason, and the powers of the govern-  
ment in suppressing a rebellion of individuals  
or States and in punishing the conspirators and  
in reconstructing the States involved in it. Thus,  
what has been settled by the war, it was ex-  
pected, would be established as the law. In  
all this the country has been disappointed;  
and as the case of Davis stands to-day, he needs  
only a pardon from President Johnson to be-  
come Greeley's candidate for the next Presi-  
dency.

In Mexico, where they have had a longer ex-  
perience in revolutions, they deal more de-  
cisively, right or wrong, with their defeated  
revolutionary leaders. Maximilian, with the  
empire No. 2, has been dealt with as was  
Yruride, of the empire No. 1. Santa Anna was  
placed in the same category, and, consid-

ing that three or four banishments have not  
cured him, he will probably be the next victim  
of a file of soldiers, if not already put out of  
the way. Juarez may justify himself on the plea  
of sacrificing Maximilian to save his own life.  
As it is, his next turn may be the reopening  
of his old cigar store in New Orleans. A  
parallel between the semi-barbarians of Mexico  
and the people of the United States does not  
touch the Mexican in reference to Maximilian's  
execution. We might as well hold up the  
usages of civilized warfare to the white squa-  
ters of Colorado in behalf of the Indians.  
States and communities are controlled by the  
circumstances around them, as we have been  
in this case of Jeff Davis, and as the Mexicans  
have been in the case of Maximilian, and as  
the Colorado white squatters are in their  
boundaries for Indian scalps with the ears on.  
Such cheap magnanimity as that of Greeley in  
behalf of Jeff Davis will provoke a laugh from  
the incredulous Mexicans, and it is worth  
nothing more.

Practical Confiscation in New York—Enormous Increase of Taxation.

We invite the attention of the members of  
the Constitutional Convention, now in session  
at Albany, to the reports submitted yesterday  
by the Comptroller of the city and county of  
New York to the Board of Supervisors, and  
which are published in substance in to-day's  
HERALD. It will be seen that our taxes for the  
current year for State, city and county pur-  
poses, will reach the enormous amount of  
twenty-five million dollars, or over four dollars  
on every one hundred dollars of the valuation  
of the property subject to taxation within the  
city and county, as fixed by the State Board of  
Equalization for last year. This does not in-  
clude our share of the heavy taxation for the  
support of the national government; nor does  
it embrace the large amount to be assessed  
upon the property owners and taxpayers gen-  
erally for the various Corporation jobs which are  
from time to time pushed through the Common  
Council. At this rate of speed in the career of  
reckless extravagance and corruption, we ask  
the Constitutional Convention how long it will  
be before we arrive in New York at the point  
of practical confiscation?

The fact is, we have reached a crisis in our  
State and municipal governments. We happen  
to have just now in New York a city Com-  
ptroller who is anxious to do his duty and to  
protect the property owners and the people  
generally from the harpies who have so long  
preyed upon them. His efforts to stop the  
tide of reckless expenditure, to make the  
public property remunerative, and to cut off  
the official paupers who have been for years  
fastened upon the city, are praiseworthy,  
and will no doubt accomplish much  
good. But we need a thorough and  
searching reform in the whole system  
of municipal government—a reform that  
will reach the root of the evil and prevent the  
corrupt squandering of the public money in the  
future—and for this we must look to the mem-  
bers of the Constitutional Convention and to  
the organic law they will submit to the popular  
vote in the next November election.

It will be seen from the statements of Com-  
ptroller Connolly that the taxation of the city  
and county has steadily increased, year after  
year, until the taxes for 1867 exceed those of  
1866 by the large sum of five million dollars.  
At the same time our debt has been also in-  
creasing. The Comptroller shows how this  
heavy drain upon our industrial resources is  
occasioned, and he recommends that all ex-  
penditures that are not absolutely necessary,  
although authorized by the last rotten Legisla-  
ture, be suspended until the finances of the  
county are in a more healthful condition. If  
his advice should be followed, and if his efforts,  
in connection with the Commissioners of the  
Sinking Fund, to turn into cash all the un-  
productive city property, should meet with suc-  
cess, the taxpayers may yet be saved from a  
material portion of the burden laid upon them  
by a venal Legislature and a thieving Corpora-  
tion; but the main hope of the people is in the  
revised constitution of the State, and to that  
they look for a thorough and permanent reform  
in the city government.

Iron-Clads.

The reported sale to Russia of the Miantono-  
moh and the rejection of the Dunderberg in  
favor of the French government are, we see,  
causing some uneasiness. It is feared by  
timid people that our government will in this  
way strip itself of all its best iron-clads, and  
that if we should get into a difficulty with any  
other nation we should not be in a position to  
go to war until we had provided substitutes  
for them. We do not apprehend that anything  
of this kind will occur. As a matter of econ-  
omy it would be a very foolish course for the  
government to pursue; for if hostilities were  
suddenly declared against us it would cost  
double the present price of these iron-clads to  
replace them within a given time. The object  
of disposing of them we take to be to replace  
them by vessels of superior construction. The  
discoveries and improvements which are daily  
being made in the form, the plating and the  
armament of iron-clads speedily lead to the  
rejection of the principles previously favored.  
We have witnessed the costly blunders that  
have been committed by the English and  
French governments by too much precipita-  
tion in the building of their iron-clads. Ours  
have served our turn, and even now will com-  
pare favorably with those of any other navy.  
Still, that is no reason why our government  
should rest satisfied with them and ignore the  
improvements that may be suggested. If it be  
the purpose of the department, in disposing  
of such vessels as the Miantonomoh, to get others  
built which will surpass them in sea-going and  
defensive qualities, then we cannot but ap-  
prove of it. It will suit us very well to get  
other governments to buy our cast-off vessels  
and to construct improved ones on the pro-  
ceeds. That would be economy in the true  
sense of the word, and very smart policy  
besides.

Grant's Nominations.

Many inquiring individuals, seeing that  
Grant's candidacy for President is an accepted  
idea, wanted to know when he was nominated,  
where the convention met and all about it.  
We would inform the worthy people all over  
the country that Grant was nominated for the  
Presidency by a convention that met under  
a big apple tree near Appomattox Court  
House in April, 1865. He was nominated by  
acclamation. This was not the apple tree on  
which Greeley once intended that Jeff Davis  
should be hanged. Greeley's was a sour apple  
tree; Grant's was a sweet one.

Congress and the Currency.

We give in another column a letter from  
Nashville on the national banks of that city.  
This letter shows, as the letters of our corre-  
spondent have done before, that the banks are  
mismanaged; that they do not meet the  
simplest and most vital requirements of the  
law on which they stand; that they boldly ne-  
glect, not to say defy, those fundamental prin-  
ciples which are supposed to be the safeguards of  
the people in their relations with these institu-  
tions. Undoubtedly this severely reflects upon the  
management of the banks; but it reflects more  
severely a still upon the Comptroller of the Cur-  
rency, who, by the published statements of the  
banks themselves, is clearly guilty of a grave  
dereliction of duty in not keeping the institu-  
tions within the law. It is his duty to compel  
a strict observance of the law in the manage-  
ment of these institutions, and he cannot depart  
from that strict line of duty without more or  
less danger to the general financial interests of  
the people.

Congress should not fail to consider at its  
coming session the relations of the national  
banks to the national credit. Within their  
proper sphere the banks are useful. We have  
no objections to urge against them as banks,  
if kept where they belong, and managed as  
the law requires; but Congress should radi-  
cally change the law in so far as it makes these  
banks practically part of the Treasury Depart-  
ment. Congress has the power in the constitu-  
tion to make a national money, but it has no  
authority to delegate this power as is done by  
giving these corporations the right to issue notes  
more or less directly related to the public  
credit. The quasi relations between the national  
treasury and these so-called national banks  
should be absolutely abolished, and the banks  
should stand on their own feet as private insti-  
tutions. As matters now stand, these private  
corporations have the power to issue currency  
that has a national character, and they receive  
out of the taxes twenty million dollars per  
annum for this exercise of a power given  
strictly to Congress. This is the simple, literal  
result of the system of issuing notes on a de-  
posited security on which the government pays  
interest. It is easily seen what a vast centripetal  
force there is in this system—how it tends  
to concentrate in a few irresponsible hands  
the power to oppress the people at will through  
the financial machinery that the masses under-  
stand so little.

The power to issue notes should be with-  
drawn from these banks, and the equivalent  
amount of currency should be issued by the  
government itself; then the nation would not  
pay twenty millions per annum that some poli-  
ticians and stockjobbers may have concentrated  
in their hands